

Jerry Duncan
Councilmember
District 6

March 20, 2007

TO: Fresno City Council

FROM: Council Members Xiong and Duncan

SUBJECT: Modify Administrator of Small Farmer Emergency Business Loan Program for Small Farmers who Live in the City of Fresno and Suffered Damage to Their Farm During the Recent Freeze.

On February 20th, 2007, Council approved the Small Farmer Loan Program to be administered by Valley Small Business Development Corporation (VBDC). The program assists small farmers that live or farm in the City of Fresno in recovering from the impact of the freeze by restarting their small farming operations through a zero interest loan funded by unallocated CDBG monies.

As the partnership began processing the loan applications, it was determined that the loan program and farmers would receive more benefit by designating Fresno County Economic Opportunities Commission (EOC) as the administrator in place of Valley Small Business Development Corporation (VBDC). This technical modification will provide several additional benefits to the program. First, it will allow the partnership to leverage more private donations toward the loan fund. In addition, the administrative cost, which is fully funded by the private sector partners, will also be reduced by an additional 2%. Finally, additional private donations can be leveraged by allowing some small farmers to receive grant funds that will supplement the loan assistance provided by the City's program.

Throughout, this process all the partners have worked well together to ensure that the greatest benefit is directed toward the small farmers impacted by the freeze. In that spirit, Valley Small Business Development Corporation (VSBDC) and the other partners are in full support of making the technical modification to the loan program.